GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2772
ANSWERED ON:15.03.2016
Fixation of the Price of Medicines
Singh Shri Sushil Kumar

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:
(a) the process/mechanism followed for fixing the price of medicines;
(b) whether the Government has any proposal to amend, moderate or evaluate the price mechanism of drugs and medicines produced in the country;
(c) if so, the details thereof;
(d) whether the Government has any proposal to bring a regulation to ensure that doctors prescribe cheaper medicines or generic medicines;
(e) if so, the details thereof; and
(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)
(a): Drugs (Prices Control) Order, 2013 (DPCO, 2013) follows a market based pricing methodology for fixation of ceiling prices of medicines where average Price to Retailer (PTR) is calculated by taking into account PTRs of all generic and branded versions of medicines having market share more than or equal to one percent of the total market turnover on the basis of moving annual turnover of that medicines and after adding 16% retailer margin to the average thus arrived at, as enunciated in the National Pharmaceutical Pricing Policy, (NPPP) 2012.
The National List of Essential Medicines, (NLEM) 2015 has been adopted as the First Schedule of DPCO, 2013. NPPA has fixed ceiling prices of 530 scheduled medicines since DPCO, 2013 coming into force.
(b) & (c): No Madam.
(d) to (f): Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 provides that every physician should, as far as possible, prescribe drugs with generic names and he/she shall ensure that there is a rational prescription and use of drugs.
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